

To the Members of the Senate:

I am returning Senate Bill 379 without my signature.

I share the author's concern about the cost of health care and the implications of overwhelming and unexpected hospital bills on uninsured Californians. Large hospital bills can lead to devastating financial consequences for those least capable of bearing the costs of unplanned visits to the hospital.

Recently, the hospital community voluntarily adopted guidelines to assist low-income uninsured Californians who receive services at a hospital but cannot afford to pay the bill in full. At a minimum, these guidelines allow patients who are at or below 300% of the federal poverty level to apply to the hospital for financial assistance. Additionally, the guidelines limit the costs of procedures to reflect the prices paid by government payers, require hospitals to post their financial assistance policies and their eligibility criteria and encourage hospitals to help eligible patients apply for public health programs. By choice, many hospital systems have adopted guidelines that exceed the aforementioned minimum standards adopted by the hospital community, further protecting patients at risk of financial harm.

I recognize the proponent's desire to assist self-pay patients with large hospital bills by requiring price discounts but I also recognize that the hospital community took a significant step in adopting these guidelines, especially those hospitals that are struggling financially themselves. Ultimately, I decided that the voluntary guidelines must be given time to be implemented and reviewed.

Nevertheless, it is my expectation that all hospitals in the state uphold their important commitment to the voluntary guidelines and that they are applied evenly, consistently and without hesitation. A strong commitment to the guidelines, in lieu of a statutory mandate, ensures that hospitals retain individual flexibility in recognition that some hospitals face different challenges than others.

Technically, the provisions of this bill could create an unintended impact on federal reimbursements for the Medi-Cal program, which would neither help patients or hospitals. In fact, a reduction in federal reimbursements to hospitals erodes the safety net which generally cares for those individuals that this bill is intended to help.

While sincere and well-intentioned, this solution is not supportable. Therefore, I am returning this bill without my signature.

Sincerely,

Arnold Schwarzenegger